

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No. 17 CR 656
)
 v.) Violations: Title 18, United States
) Code, Sections 371, 666, 1343, 1346;
 DAVID WEBB, JR.,) Title 26, United States Code, Section
 MICHAEL JARIGESE,) 7206(1)
 TOWER CONTRACTING LLC, and)
 THOMAS SUMMERS)
)

COUNT ONE

The SPECIAL FEBRUARY 2017 GRAND JURY charges:

1. At times material to this indictment:

a. The City of Markham was a local government located in Cook County and the Northern District of Illinois. Markham received in excess of \$10,000 in federal funding for each calendar year from 2010 through 2017.

b. Defendant DAVID WEBB, JR. was the mayor of Markham from 2001 until April 2017. WEBB was an agent of Markham during the entirety of his tenure as mayor. WEBB, in his capacity as mayor, owed a duty of honest services to Markham and the people of Markham in the performance of his public duties. As part of his official duties related to vendors and contractors doing work for Markham, WEBB selected certain vendors and contractors for work in Markham and signed certain contracts with vendors and contractors on behalf of Markham. WEBB also approved payments from Markham to vendors and contractors. As mayor, WEBB was required to file a Statement of Economic Interests with the Cook County Clerk,

which sought information about topics including money obtained outside of his official salary.

c. TOWER CONTRACTING, LLC, was a general contracting company that had an office in Markham and did a number of construction projects for Markham, including projects related to the Markham City Hall, a building that was later named the David Webb, Jr. Senior Living Complex, and a Roesner Park Development. TOWER was paid over \$14,900,000 for its work on the senior living center and the park district building.

d. MICHAEL JARIGESE was president of TOWER.

e. On or about January 4, 2010, WEBB and JARIGESE signed an agreement for TOWER to build the senior living center in Markham. The listed contract price was \$10,586,000 and the total paid amount for the project was over \$10.9 million.

f. On or about June 1, 2012, WEBB and JARIGESE signed an agreement for TOWER to perform renovations and additions at the Roesner Park Development in Markham. The listed contract price was \$3,446,000 and the total paid amount for the project was over \$3.9 million.

g. Alsterda Cartage and Construction Co., Inc. was a contractor that worked on water and sewer installation and repair projects, as well as other projects, and had an office in Alsip, Illinois. Alsterda was also a subcontractor on TOWER construction projects in Markham, including the David Webb, Jr. Senior Living Complex and the Roesner Park Development project.

h. Thomas Summers was an owner of Alsterda.

i. In 2008, Alsterda bid and won a multi-million dollar contract with Markham. Between 2008 and 2017, Alsterda was paid over \$3.5 million by the City of Markham.

j. Family Member A and Family Member B are relatives of WEBB.

k. KAT Remodeling, Inc. was incorporated in Illinois in 2003 by Family Member A. KAT Remodeling never did any construction work of any kind.

l. KAT Realty Investments, Inc. was incorporated in Illinois in 2009 by Individual 1, who was a vendor providing financial services to Markham. KAT Realty never did any construction work of any kind. Individual 1 also operated Company A and Company B.

m. Family Member A and Family Member B opened up bank accounts in their own names for KAT Remodeling and KAT Realty.

The Scheme to Defraud

2. Beginning in or about approximately 2008 and continuing until at least in or about April 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID WEBB, JR.,
MICHAEL JARIGESE, and
TOWER CONTRACTING, LLC,

defendants herein, as well as Thomas Summers, Individual 1, and others, devised and intended to devise, and participated in, a scheme to defraud Markham and the

people of Markham of money, property, and the intangible right to the honest services of defendant WEBB by means of materially false and fraudulent pretenses, representations, promises, and the concealment of material facts, which scheme is further described in the following paragraphs:

3. It was part of the scheme to defraud that JARIGESE, on behalf of TOWER; Summers on behalf of Alsterda; and Individual 1, as well as others who were doing business with Markham, agreed to make and conceal bribe payments totaling over \$300,000 to WEBB, the mayor of Markham, in order to maintain the business that they had obtained from Markham and to win favorable treatment from WEBB as to future business from Markham. WEBB sought bribe payments from these vendors and contractors because he knew they had already been paid significant sums of money by Markham for work on public projects.

ALSTERDA

4. It was further part of the scheme that in approximately 2008, at a time when Alsterda was seeking to maintain its work for the City of Markham as well as obtain new business with Markham, WEBB met with Summers and asked him for money, intending in exchange to provide favorable official action to Alsterda with respect to awarding it Markham's business.

5. It was further part of the scheme that Summers, on behalf of Alsterda, agreed to pay funds to WEBB in exchange for this favorable official action in connection with business from Markham.

6. It was further part of the scheme that Summers and Alsterda later issued at least seven checks to WEBB totaling approximately \$174,000, dated between December 2008 and June 2013, which Summers delivered to WEBB.

7. It was further part of the scheme that WEBB and Summers sought to conceal and disguise the nature of these bribe payments from Summers and Alsterda to WEBB through various means, such as:

a. WEBB directed Summers to have the checks made payable to KAT Remodeling, KAT Investments, KATS, Family Member A, and the “Mayor and City Council of Markham.”

b. On certain checks payable to KAT Remodeling, Summers indicated that the payment was for construction work. In fact, as Summers and WEBB knew, KAT Remodeling had performed no work for Summers or Alsterda.

c. On one of the checks, which was made payable to Family Member A, Summers indicated the payment was for a “Ford Truck.” In fact, as Summers and WEBB knew, no Ford Truck was exchanged for the payment.

d. Summers caused the bribe payments made by check to KAT Remodeling and KAT Realty to be falsely and fraudulently recorded in the records of Alsterda as expenses associated with a subcontractor.

8. It was further part of the scheme that Summers delivered additional cash bribe payments to WEBB.

9. It was further part of the scheme that Summers made contributions to campaign events for WEBB and public events hosted by Markham.

10. It was further part of the scheme that, in exchange for the bribes made by Summers and Alsterda, WEBB used his position as mayor to take official action that benefited Alsterda, such as awarding multiple projects to Alsterda and encouraging JARIGESE and TOWER to hire Summers and Alsterda as subcontractors for work on Markham projects.

INDIVIDUAL 1

11. It was further part of the scheme that by at least 2011, at a time when Individual 1 was seeking to maintain his work performing financial services for Markham, WEBB met with Individual 1 and asked him for money, intending in exchange to provide favorable official action to Individual 1 with respect to maintaining Individual 1's work in Markham and obtaining other future Markham business.

12. It was further part of the scheme that Individual 1 agreed to pay funds to WEBB in exchange for favorable official action in connection with business for the City of Markham.

13. It was further part of the scheme that Individual 1 provided WEBB a check, dated July 27, 2011, from Company B, made payable to "KATZ Investments" for \$15,000.

14. It was further part of the scheme that WEBB directed Individual 1 to make the \$15,000 bribe payment payable to "KATZ Investments" to conceal and disguise the true nature of the bribe payment.

15. It was further part of the scheme that Individual 1 provided additional cash bribe payments to WEBB.

16. It was further part of the scheme that Individual 1 made a payment to the Internal Revenue Service of money owed by WEBB in back taxes.

17. It was further part of the scheme that Individual 1 made contributions to campaign events for WEBB.

18. It was further part of the scheme that, in exchange for the bribes made by Individual 1, WEBB used his position as mayor to take official action which benefited Individual 1.

TOWER

19. It was further part of the scheme that in approximately early 2012, at a time when TOWER was seeking a contract to perform construction work for the City of Markham on the Roesner Park Development project, WEBB met with JARIGESE and asked him for \$100,000, intending in exchange to provide favorable official action to TOWER with respect to awarding it the Roesner Park Development contract and other Markham business.

20. It was further part of the scheme that JARIGESE, on behalf of TOWER, agreed to pay funds to WEBB in exchange for this favorable official action in connection with business from Markham.

21. It was further part of the scheme that TOWER later issued a check for \$75,000, dated February 14, 2012, which JARIGESE delivered to WEBB.

22. It was further part of scheme that WEBB, JARIGESE, and TOWER sought to conceal and disguise the nature of the \$75,000 bribe payment from TOWER to WEBB through various means, such as:

a. WEBB directed JARIGESE to cause TOWER to issue the \$75,000 check payable to KAT Remodeling.

b. JARIGESE caused TOWER to fabricate a false and fictitious invoice from KAT Remodeling, which purported to bill TOWER for construction work. In fact, as JARIGESE and WEBB knew, KAT Remodeling had performed no work for TOWER.

c. JARIGESE caused the \$75,000 bribe payment to be falsely and fraudulently recorded in the records of TOWER as payment for construction work provided by KAT Remodeling.

23. It was further part of the scheme that JARIGESE later caused TOWER to issue a check, dated May 22, 2013, for \$10,000 payable to KAT Remodeling, which JARIGESE caused to be delivered to WEBB.

24. It was further part of scheme that defendants WEBB, JARIGESE, and TOWER sought to conceal and disguise the nature of the \$10,000 bribe payment from TOWER to WEBB through various means, such as:

a. JARIGESE caused TOWER to issue the \$10,000 check payable to KAT Remodeling.

b. JARIGESE caused the \$10,000 bribe payment to be falsely and fraudulently recorded in the records of TOWER as a donation to a Markham festival.

c. JARIGESE caused TOWER to fabricate a false and fictitious check request that described the \$10,000 bribe payment as a “2013 Festival Donation” and as “Tower giving back to the community.”

25. It was further part of the scheme that JARIGESE delivered additional cash bribe payments on behalf of TOWER to WEBB.

26. It was further part of the scheme that TOWER made contributions to campaign events for WEBB and public events hosted by Markham totaling more than \$150,000.

27. It was further part of the scheme that, in exchange for the bribe payments made by TOWER, WEBB used his position as mayor to take official action that benefited TOWER, such as awarding the contract from Markham for the Roesner Park Development contract to TOWER.

28. It was further part of the scheme that WEBB failed to report income that he received in the form of bribe payments from JARIGESE, TOWER, Summers, Alsterda, and Individual 1, on his federal income tax returns in order to conceal that he was accepting money from certain individuals in exchange for his official action and to avoid paying taxes on those funds.

29. It was further part of the scheme that WEBB did not include any of the bribe payments provided to him, including those paid by JARIGESE, TOWER, Summers, Alsterda, and Individual 1, on his Statement of Economic Interests forms submitted to the Cook County Clerk in order to conceal that he was taking money from certain individuals in exchange for his official action.

30. It was further part of the scheme that defendants WEBB, JARIGESE, and TOWER, as well as Individual 1 and Summers, concealed, misrepresented and hid, and caused to be concealed, misrepresented and hidden, the existence and purpose of the scheme, and acts done in furtherance of the scheme.

31. On or about December 5, 2012, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID WEBB JR.,
MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed through the Federal Reserve System in the amount of approximately \$628,110 from an account for the City of Markham at Amalgamated Bank to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TWO

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1 through 30 of Count One are incorporated here.
2. On or about January 2, 2013, at Markham, in the Northern District of

Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed through the Federal Reserve System in the amount of approximately \$464,460.33 from an account for the City of Markham at Amalgamated Bank to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT THREE

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

3. Paragraphs 1 through 30 of Count One are incorporated here.

4. On or about January 29, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed through the Federal Reserve System in the amount of approximately \$258,500.70 from an account for the City of Markham at Amalgamated Bank to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT FOUR

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

5. Paragraphs 1 through 30 of Count One are incorporated here.

6. On or about April 18, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer in the amount of approximately \$173,316.58 from an account for the City of Markham at Bank of New York Mellon to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT FIVE

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

7. Paragraphs 1 through 30 of Count One are incorporated here.

8. On or about April 18, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed in the amount of approximately \$132,192.50 from an account for the City of Markham at Bank of New York Mellon to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT SIX

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1 through 30 of Count One are incorporated here.
2. On or about April 18, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed in the amount of approximately \$47,123.15 from an account for the City of Markham at Bank of New York Mellon to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT SEVEN

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1 through 30 of Count One are incorporated here.
2. On or about May 9, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed in the amount of approximately \$164,578.08 from an account for the City of Markham at Bank of New York Mellon to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT EIGHT

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1 through 30 of Count One are incorporated here.
2. On or about July 17, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed through the Federal Reserve System in the amount of approximately \$26,433.32 from an account for the City of Markham at Amalgamated Bank to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT NINE

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1 through 30 of Count One are incorporated here.
2. On or about July 24, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs and signals, namely an interstate wire transfer processed in the amount of approximately \$201,152.16 from an account for the City of Markham at Bank of New York Mellon to a TOWER account at First Midwest Bank, which funds represented a partial payment from Markham to TOWER for work done at the Roesner Park Development project;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TEN

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1(a), (b), and (g)-(m) of Count One are incorporated here.

2. Beginning by at least late 2010 and continuing through 2017, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

THOMAS SUMMERS,

defendant herein, did conspire with David Webb, Jr. to corruptly give, offer, and agree to give things of value, namely cash payments and checks, for the benefit of David Webb Jr., with the intent to influence and reward Webb, an agent of the City of Markham, a municipal government that during each of the twelve-month calendar years from 2010 to 2017, received federal benefits in excess of \$10,000, in connection with any business, transaction, and series of transactions of \$5,000 or more of the City of Markham, namely construction and repair projects in the City of Markham provided to Alsterda Cartage and Construction Co., in violation of Title 18, United States Code, Section 666(a)(2).

3. It was part of the conspiracy that, in exchange for the efforts of Webb, as Mayor of the City of Markham, to assist SUMMERS in obtaining and keeping work for Alsterda on Markham projects, SUMMERS, on behalf of Alsterda, agreed to make and conceal payments, totaling more than \$174,000, as directed by Webb for the benefit of Webb. SUMMERS made these payments to Webb in a variety of ways, including: checks made payable to KAT Realty and KAT Remodeling, cash, contributions to Webb's campaigns, and payments toward certain Markham

programs. After the payments were made to Webb, Webb used his position as mayor to benefit Alsterda with respect to public projects in Markham, including directing projects in Markham to Alsterda and encouraging Jarigese and Tower to hire SUMMERS and Alsterda as subcontractors for work on Markham projects.

4. In furtherance of the conspiracy and to effect its objects and purposes, SUMMERS and Webb committed and caused to be committed the following overt acts, among others, within the Northern District of Illinois and elsewhere:

a. On or about October 14, 2009, Alsterda provided a check to Kats Investments for \$35,000.

b. On or about December 22, 2009, Alsterda provided a check to Kats Investments for \$4,495.

c. On or about May 15, 2013, Markham issued check number 112247, in the amount of approximately \$9,790, to Alsterda for construction work done on a public project in Markham.

d. On or about June 13, 2013, Summers caused an Alsterda check payable to the "Mayor and City Council of Markham" for approximately \$9,000 to be tendered to Markham.

e. On or about July 17, 2013, Markham issued check number 112619, in the amount of approximately \$7,521, to Alsterda for construction work done on a public project in Markham.

f. On or about October 16, 2013, Markham issued check number 113281, in the amount of approximately \$65,062, to Alsterda for construction work done on a public project in Markham.

g. On or about June 4, 2014, Markham issued check number 114755, in the amount of approximately \$30,572, to Alsterda for construction work done on a public project in Markham.

h. On or about July 23, 2014, Markham issued check number 115077, in the amount of approximately \$78,371, to Alsterda for construction work done on a public project in Markham.

i. On or about September 7, 2016, Markham issued check number 121188, in the amount of approximately \$16,664, to Alsterda for construction work done on a public project in Markham.

All in violation of Title 18, United States Code, Section 371.

COUNT ELEVEN

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. Paragraphs 1(a)-(f) and (j)-(m) of Count One are incorporated here.
2. On or about May 22, 2013, at Markham, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL JARIGESE, and
TOWER CONTRACTING LLC,

defendants herein, corruptly gave, offered, and agreed to give things of value, namely a \$10,000 check made payable to KAT Remodeling, as well as cash, for the benefit of David Webb, Jr., with the intent to influence and reward Webb, an agent of the City of Markham, a municipal government that received federal benefits in excess of \$10,000 in the twelve-month period from January 1, 2013, through December 31, 2013, in connection with any business, transaction, and series of transactions of \$5,000 or more of the City of Markham, namely payments from Markham to Tower for work performed on the Roesner Park Development project;

In violation of Title 18, United States Code, Section 666(a)(2).

COUNT TWELVE

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

On or about October 15, 2013, in the Northern District of Illinois, Eastern Division,

DAVID WEBB, JR.,

defendant herein, willfully made, subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments), for the calendar year 2012, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return he did not believe to be true and correct as to every material matter, in that Line 22 stated that his total income was \$141,715, whereas, in truth and fact, as WEBB knew, his total income was substantially in excess of that amount;

In violation of Title 26, United States Code, Section 7206(1).

FORFEITURE ALLEGATION

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

1. The allegations of Counts One through Eleven of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations of Title 18, United States Code, Sections 666, 1343, and 1346, as alleged in the foregoing indictment,

DAVID WEBB,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all right, title, and interest they may have in any property, real and personal, that constitutes and is derived, directly and indirectly, from gross proceeds traceable to the commission of the charged offenses.

3. The interests of the defendant subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c) include, but are not limited to, all money and property that constituted and was derived from the proceeds traceable to the violations, estimated as including at least \$300,000.

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendants:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third party;

- c. Has been placed beyond the jurisdiction of the Court;
- d. Has been substantially diminished in value; or
- e. Has been commingled with other property which cannot be

divided without difficulty; the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY